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## SENATOR WANTS TO 'ELIMINATE' FTC CHIEF

### Ugly Public Feud Heats Up Further

April 15, 2002

QwikFIND ID: AAN37J

By [Ira Teinowitz](#)

WASHINGTON (AdAge.com) – Ratcheting up the stakes in a pitched battle with the chairman of the Federal Trade Commission over media consolidation antitrust issues, Sen. Ernest "Fritz" Hollings suggested he'd like FTC Chairman Tim Muris to be put out of commission.



#### 'Eliminate him'

"I am trying to eliminate him," the South Carolina Democrat told *Advertising Age* magazine last week, acknowledging that he is refusing to meet with Mr. Muris and may move to cut the FTC's budget if Mr. Muris remains and doesn't reverse course.

Andy Davis, an aide to the senator, later described the comment as borne of the senator's "frustration" with Mr. Muris' action on merger reviews, but not entirely serious. "Sen. Hollings is one of the strongest backers of the FTC," said Mr. Davis. "What he is upset about is that [Mr. Muris] has to be brought dragging, kicking and screaming to do the FTC's job serving as advocates for U.S. consumers."

Sen. Hollings, chairman of the Senate Commerce Committee, also heads the Senate Appropriations Committee that oversees the FTC's budget. Mr. Muris was named by President Bush to head the FTC last year and took office June 4, 2001.

#### Agency's top execs

Mr. Davis confirmed last week that the FTC chairman has been asked to prepare a "cost analysis" for eliminating the agency's "public affairs office, the legislative affairs office and all positions over GS 15," meaning all FTC positions paying more than \$100,000. That attention-getting move poses the threat of eliminating the budget for all the agency's top executives, its public relations department, lobbyists and commissioners.

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Mr. Muris last week, in a conversation with the chairman of a similar House Appropriations panel, Rep. Frank Wolf, R-Va., complained that more than 50 of the FTC's 1,100-plus positions would be eliminated should Sen. Hollings' plan go through. He also said Sen. Hollings was rejecting his entreaties to meet.

Asked about both Sen. Hollings' plan to reduce staff and the senator's desire to "eliminate" him, Mr. Muris issued a statement saying only that he was "surprised that Sen. Hollings, being such a strong advocate of consumer protections, would consider a measure that would virtually eliminate the FTC's ability to protect consumers."

#### **Antitrust move triggers feud**

The feud was touched off when Mr. Muris moved to resolve the longstanding intra-governmental fight between the Justice Department and the FTC over which agency handles antitrust review of deals, in part by ceding the FTC's antitrust enforcement over media deals. Mr. Muris has said the switch in antitrust oversight was intended to resolve questions as converging media deals increasingly led to fights over which body would review particular deals.

Consumer groups, some businesses and the two Democratic members of the five-member commission have argued that the FTC, as an independent agency, would be far more aggressive in reviewing media consolidation deals than the Justice Department, which could face political pressure to swiftly approve deals.

Sen. Hollings has complained vociferously about the switch to the Justice Department for similar reasons, but he was even more livid about the way it happened.

Instead of the Commerce Committee being extensively consulted by Mr. Muris and the Justice Department, the committee learned of the planned switch as reporters were gathering for a Jan. 17 news conference. The announcement was put off, but on March 5, as the committee staff negotiated with Mr. Muris and the Justice Department, the deal was publicly announced as fait accompli.

#### **Refuses to meet**

Last week, Sen. Hollings confirmed he is refusing to meet with Mr. Muris but said he hadn't made a decision yet on whether he would move to cut the FTC's budget if Mr. Muris remains.

"What action would I meet with him about?" said Sen. Hollings. "I am opposed to the Federal Trade Commission giving up on the communications [deals]. I don't know what I can do or say, but I am absolutely opposed to [the switch]."

Sen. Hollings hasn't decided what action he will take regarding the FTC but said he intended to act.

"We are very much concerned," he said, "that they are trying to get away from their principal jurisdiction."

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